

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re

EAGLE PCO LLC, et al.¹

Debtor.

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§

**No. 20-35474
Chapter 11
Jointly Administered**

**APPLICATION TO EMPLOY PHELPS DUNBAR, LLP AS SPECIAL LITIGATION COUNSEL
PURSUANT TO 11 U.S.C. § 328(a)**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE EDUARDO V. RODRIGUEZ:

Eagle PCO LLC and Eagle Pressure Control LLC (collectively the “*Movant*”) as Debtors-in-Possession file this Application to Employ Phelps Dunbar, LLP (the “*Firm*”) as special litigation counsel pursuant to 11 U.S.C. § 328(a).

¹ The Debtors in these Chapter 11 cases are: (a) Eagle PCO LLC (No. 20-35474) and (b) Eagle Pressure Control LLC (No. 20-35475).

Application to Employ

1. The Movant desires to employ the Firm on an hourly fee basis to represent the Movant in analyzing and defending tort and contractual indemnity claims that may be filed as the result of an explosion on January 29, 2020 at the Daniel H. Wendland 1H oil well in Burleson County, Texas. Known claims include, but may not ultimately be limited to:

- a. *Norma Lynn Maldonado v. Chesapeake Operating, L.L.C.; Chesapeake Energy Corporation, SDS Petroleum Consultants, L.L.C, A&L Hot Oil Service, Inc.; Forbes Energy Services, LTD.; Forbes Energy Services, L.L.C.; CC Forbes, L.L.C.; Eagle PCO, LLC*, Cause No. DC-20-06809, in the 162nd District Court for Dallas County, Texas.
- b. *Madison Hendrix, individually and as the personal representative of the Estate of Brad Hendrix v. Chesapeake Energy Corporation, et al.*, Cause No. DC-20-06798, in the 298th District Court for Dallas County, Texas.
- c. *Omar Balboa v. A&L Hot Oil Services, Inc., SDS Petroleum Consultants, LLC, Chesapeake Energy Corporation, Forbes Energy Services, LTD., Forbes Energy Services, LLC, CC Forbes, LLC, Eagle PCO, LLC*, Cause No. DC-20-06888, in the 192nd District Court for Dallas County, Texas.
- d. *Joe Eric Cabrera v. Chesapeake Operating, L.L.C.; Chesapeake Energy Corporation, SDS Petroleum Consultants, L.L.C; A&L Hot Oil Service, Inc., Eagle PCO, LLC*, Cause No. DC-20-06894, in the 192nd Judicial District Court for Dallas County, Texas.
- e. *Kevin Mirelez v. Chesapeake Operating, L.L.C.; Chesapeake Energy Corporation, SDS Petroleum Consultants, L.L.C.; A&L Hot Oil Service, Inc.; Eagle PCO, LLC*, Cause No. DC-20-06884, in the 192nd District for Dallas County, Texas.
- f. *Miguel Carrillo v. Chesapeake Operating, L.L.C.; Chesapeake Energy Corporation, SDS Petroleum Consultants, L.L.C.; A&L Hot Oil Service, Inc.; Eagle PCO, LLC*, Cause No. DC-20-06892, in the 95th Judicial District for Dallas County, Texas.
- g. *Linda Milanovich v. Chesapeake Operating, L.L.C. and Chesapeake Operating Corporation*, Cause No. 29969, in the 335th District Court for Burleson County, Texas.
- i. *Christopher Wilson v. Chesapeake Energy Corporation, et al.*, Cause No. 20-15646, in the 95th District Court for Dallas County, Texas.

2. Pre-petition, the Movant submitted these claims to its insurance carrier, which hired the proposed special counsel and has undertaken to pay the costs of defense. Currently, the Movant is not responsible for the payment of any attorneys' fees or reimbursable expenses that may be due to the Firm.

3. The employment of the Firm is required to:

- a. Review any proofs of claims filed by the above claimants in connection with the underlying litigation;
- b. Advise the Debtor regarding any objections to any proof of claim that is filed in connection with the underlying litigation;
- c. Defend the claims brought by the plaintiffs in the underlying litigation in the event relief from the automatic stay is granted; and
- d. Prosecute any claims for indemnity or contribution from any third party, including, but not limited to, Chesapeake Operating, LLC, , Forbes Energy Services, LLC, CC Forbes, LLC, and A&L Hot Oil Service, Inc.

4. The Firm maintains offices at 500 Dallas Street, Suite 1300, Houston, Texas 77002.

The Firm's main telephone number is 713-626-1386. The Firm's fax number is 713-626-1388.

5. The insurance carrier selected the Firm because its shareholders have extensive experience in matters relating to the defense of personal injury and negligence claims in the State of Texas. Moreover, the Firm is already familiar with the issues in dispute in the case and the legal issues involved in the case. The Movant believes that the Firm can provide the Estate with the required legal expertise to allow the Movant to handle this litigation effectively and prudently.

6. Michael E. Streich of the Firm will be designated as attorney-in-charge and will be responsible for the representation of the Movant by the Firm as set forth in this Application.

7. Mr. Streich is admitted to practice before all courts in the State of Texas as well as being admitted to practice in the United States District Court for the Southern District of Texas.

Mr. Streich has significant experience in handling litigation matters of this type. Similarly, Mr. Streich has extensive experience and specialization in handling personal injury and negligence claims. The Movant believes that Mr. Streich and the Firm are well qualified to represent the Movant.

8. The Firm will render professional services including, but not limited to:
 - a. Reviewing any proofs of claims filed by any claimant seeking damages related to the January 29, 2020 explosion;
 - b. Advising the Debtor regarding any objections to any proof of claim that is filed in connection with the underlying litigation;
 - c. Prosecuting any objections to the proofs of claims filed in connection with the underlying litigation before this Court or any other court with jurisdiction;
 - d. Handling any appeals that may result from the underlying litigation; and
 - e. Handling any other matter related to the defense of any claim or prosecution of any counterclaim related to the underlying litigation.

The Firm is not being hired to represent the Debtor-in-Possession as to any other litigation matter and is not being employed as general litigation counsel.

9. Employment of the Firm is sought out of an abundance of caution because the Plaintiffs in the underlying lawsuits have not yet filed a proofs of claims; however, it is anticipated that a proofs of claims will be filed before the claims bar date and that there will be some sort of claim objection proceeding.

Statement Regarding Connections to the Case

10. The Firm has previously represented the Movant prior to this bankruptcy case in the lawsuits listed in Paragraph 1. Prior to the petition date, the Movant paid the Firm the first \$5,000.00 in fees as the deductible under the Debtor's insurance policy. All subsequent fees have

been paid by the Movant's insurance carrier. Except as set forth above and in the attached Declaration, the Firm has no other connection with the Debtor, its creditors, any other parties in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee and are "disinterested persons" within the definition of Section 101(14) of the Bankruptcy Code on the matters for which it is to be engaged as special counsel. See Attached Affidavit.

11. At the petition date, the Firm was owed \$0 by the Movant.
12. Since the petition date, the underlying litigation has been stayed, but the Movant anticipates that the stay will be lifted to allow the litigation to proceed.

Compensation

13. All fees and expenses are being paid by the Movant's insurance carrier. If the terms of representation should change the Movant will seek approval of an amended application to employ special litigation counsel.

14. In the attached declaration, the Firm has identified the amount and source of compensation to be paid to the Firm for services rendered in connection with its representation of the Movant in this case.

Accordingly, the Movant requests that the Court approve the retention of the Firm as special litigation counsel under 11 U.S.C. § 328(a) as set forth above and for such other relief as is just.

DATED: December 31, 2020.

Respectfully Submitted,

DocuSigned by:

Jennifer Black

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Jennifer Black,

Chief Financial Officer,
Eagle PCO LLC and
Eagle Pressure Control LLC

Debtors-in-Possession

PHELPS DUNBAR, LLP

DocuSigned by:

Michael Streich

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Michael E. Streich
Texas Bar No. 24079408
500 Dallas St., Suite 1300
Houston, TX 77002-4508
Tel. 713-626-1386
Fax. 713-626-1388

Proposed Special Litigation Counsel

Approved:

PENDERGRAFT & SIMON, LLP

/s/ William P. Haddock

Leonard H. Simon

Texas Bar No. 18387400

S.D. Tex. Adm. No. 8200

William P. Haddock

Texas Bar No. 00793875

S.D. Tex. Adm. No. 19637

2777 Allen Parkway, Suite 800

Houston, TX 77019

Tel. (713) 528-8555

Fax. (713) 868-1267

Counsel for Debtor-in-Possession

Certificate of Service

I hereby certify that a true and correct copy of the above Application to Employ Phelps Dunbar, LLP as Special Litigation Counsel Pursuant to 11 U.S.C. § 328(a) has been served on the following counsel/parties of record in accordance with the Fed. R. Bankr. P. 9013, BLR 9013 and local rules for ECF service on this 31st day of December 2020:

Parties having appeared via ECF:

George Frederick Dunn, Counsel for Ford Motor Credit Company
 Donald L. Turbyfill, Counsel for Ford Motor Credit Company
 Tara LeDay, Counsel for the Texas Taxing Authorities
 Justin William Randall Renshaw, Counsel for Bestway Oilfield, Inc.
 Don Stecker, Counsel for Atascosa County
 Drew McManigle, Subchapter V Trustee
 Hector Duran, Counsel for the U.S. Trustee
 Alicia Lenae Barcomb, Counsel for the U.S. Trustee
 Office of the U.S. Trustee

Twenty largest general, unsecured creditors, excluding insiders via first-class mail, postage prepaid:

American Express
 PO Box 650448
 Dallas, TX 75255

Bestway Oilfield
 16030 Market Street
 Channelview, TX 77530

Meyer Service Company
 6733 Leopard St.
 Corpus Christi, TX 78409

Atascosa County Tax Office
 1001 Oak Street
 Jourdan, TX, 78026

Grimes Central Appraisal District
 Acct: P68353 / O0009424
 PO Box 489
 Anderson, TX, 77830

MP Rental & Fishing Services, LLC
 PO Box 599
 Tomball, TX, 77377-0599

Texas Comptroller Of Public Accounts
 Capitol Station
 PO Box 13528
 Austin, TX, 78711

OSHA
 1033 La Posada Drive, Suite 375
 Austin, TX, 78752

C&W International Fabricators
 5855 Cunningham Road
 Houston, TX, 77041

Absolute Control LLC
 2810 Washington Drive
 Houston, TX 77038

Midland Central Appraisal District
 4631 Andrews Hwy
 PO Box 908002
 Midland, TX, 79708-0002

Five Star Metals Inc.
 8637 Windfern Rd
 Houston, TX, 77064

1189 CR Eagle LLC
 475 S. San Antonio Rd.
 Los Altos, CA 94022

Oracle America Inc
 Bank Of America Lockbox Serv
 15612 Collections Center Dr
 Chicago, IL, 60693

SAFOCO
 PO Box 27246
 Houston, TX, 77227-724

Limh, LLC
 820 Holston Hills Dr.
 College Station, TX 77845

Blaze Sales & Service
 7824 Scott Street
 Houston, TX 77051

Quench USA, Inc.
 PO Box 781393
 Philadelphia, PA, 19178-1393

B&J Wholesale LLC
11997 FM 529
Houston, TX 77041

Kallred Oilfield Services LLC
9266 Ben Tirran Ct.
Colorado Springs, CO 80908

Internal Revenue Service
Centralized Insolvency Operation
PO Box 7346
Philadelphia, PA 19101-7346

/s/ William P. Haddock

William P. Haddock